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September 29, 1997

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, DC 20554

Re: Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; CC Docket No. 94-129

Dear Mr. Caton:

Enclosed herewith for filing are the original and four (4) copies of MCI Telecommunications Corporation's Comments regarding the above captioned matter. Pursuant to the Commission's request, MCI is also submitting by separate cover a 3.5 inch diskette containing the enclosed comments.

Please acknowledge receipt by affixing an appropriate notation on the coy of the MCI Comments furnished for such purpose and remit same to the bearer.

Very truly yours,

Bradley C. Stillman

Enclosure
BCS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Implementation of the Subscriber Carrier	)	
Selection Changes Provisions of the	)	
Telecommunications Act of 1996	)	
	)	CC Docket No. 94-129
Policies and Rules Concerning	)	
Unauthorized Changes of Consumers'	)	
Long Distance Carriers	)	

To: The Commission

REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

Bradley C. Stillman
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Its Attorney

September 29, 1997

Summary

It was pleasing to see general agreement on many issues raised in the Notice. Many of the disagreements can be directly traced to the failure of the incumbent carriers to either recognize, admit or appreciate the inherent advantages that come from their position as executing carrier or the new incentives they will have as their monopoly markets are opened to competition and they enter new markets.

It is evident from the comments that many parties understand that standards that cut across services and carriers are critical to holding down unauthorized conversions, minimizing anti-competitive use of PC freezes and consumer confusion which can come with increased competition. Specifically, standardized rules for PC changes and verification for all services, PC freeze solicitations and removals, and definition of what is an unauthorized change versus a dispute are most critical.

There is a split among commenters with regard to the question of verification of in-bound telemarketing calls. Most regulators and consumer advocates agree with MCI that in-bound calls should have to be verified. As noted in its initial comments, MCI believes having different standards of verification for different methods of sales invites misleading and fraudulent behavior. The vast majority of companies that oppose verification for certain classes of calls are those that have some degree of market power which will allow them to benefit from regular communications with customers and non-customers alike. Even if carriers with market power avoid the incentive to market services in inappropriate ways, by establishing a loophole the Commission would likely drive unscrupulous carriers to engage in practices that can mislead consumers.

Without the kind of protection offered by verification rules, especially TPV, MCI

believes many companies would be emboldened to use aggressive marketing techniques to make sales that would never make it through the verification process every time a consumer calls. Verification rules, applied to all carriers and all sales, would avoid a lot consumer harm and anti-competitive behavior.

No commenters raised major concerns about the effectiveness of legitimate TPV. But MCI is not the only party in this proceeding with experience using TPV on a large scale. The state of California is the only state which currently mandates the use of TPV for nearly all residential sales. The fact that this regulator has found that the benefits associated with TPV to consumers and the industry outweigh the cost is important.

The idea that the Commission must close its eyes to the inherent benefits of incumbency when establishing rules for pro-competitive conduct is simply ridiculous. Not surprisingly, it is an argument made most frequently by the incumbents themselves. In the context of this rulemaking, it is the local monopolists in their role as executing carriers that hold the market power that could harm competition and effectively limit consumer choice. It is not difficult to see how this could occur: anti-competitive use of PC freezes by aggressively marketing them just before a market is to be opened up to competition, slowing or rejecting large numbers of PC change orders from competitors, using their position to win-back customers before a competitor knows the switch is made or when a customer calls for information, and the list can go on and on.

Misused PC freezes can be as harmful to competition as outright unauthorized conversions and the Commission's rules should recognize this by applying the same competitive and consumer protections to them. In any case, a complex web of standards and uses of PC freezes is not conducive to protecting consumers or maximizing competitive choice. There is no

real question that PC freezes can be used in an anti-competitive fashion, only whether they are actually being used that way. The best way to balance consumer protection and maximum competitive choice is to standardize the use of PC freezes across the industry consistent with MCI's initial comments. MCI supports the policy of the CPUC which restricted the ability of local exchange carriers to market PC freezes to customers during the introduction of intraLATA presubscription. This sensible consumer and competitive protection should be applied across the board for all services.

There is significant agreement among most parties that the goal of the liability rules should be to make consumers whole and minimize impact on the victimized carrier. However, when it comes to penalizing their soon to be competitors, the incumbent local monopolists offer a variety of outrageous and anti-competitive proposals. In each case the common theme is that the incumbent LEC would have the incentive to report the maximum number of disputed PC changes against their competitors. In some proposals, the incumbent LECs would be able to assess penalties and recover costs without a determination as to whether a reported dispute was even an unauthorized conversion ever being made. The Commission's rules should never put the fate of the competitors in the hands of the local monopolists as the incumbent LECs suggest.

Due to the unique opportunities for improper behavior by executing carriers, the Commission should focus on removing the incentives that will exist for executing carriers to delay making a service change. Specifically, all communications between the executing carrier and the customer should be strictly prohibited until the authorized carrier has been notified that the switch has been made. The combination of parity and restrictions on communications while a switch is being made will help reduce the incentives for executing carriers to act improperly.

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FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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	)	CC Docket No. 94-129
Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers	)	

I. INTRODUCTION

MCI Telecommunications Corporation ("MCI") hereby submits its reply comments in the above referenced proceeding. It was pleasing to see general agreement on many issues raised in the Federal Communications Commission's ("Commission") Notice[1] in the above referenced proceeding. Many of the disagreements can be directly traced to the failure of the incumbent carriers to either recognize, admit or appreciate the inherent advantages that come from their position as executing carrier or the new incentives they will have as their monopoly markets are opened to competition and they enter new markets.

It is evident from the comments that many parties understand that standards that cut

[1]In the Matter of Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, Further Notice of Proposed Rulemaking and Memorandum Opinion and Order on Reconsideration, CC Docket No. 94-129, Adopted July 14, 1997. ("Notice")

across services and carriers are critical to holding down unauthorized conversions, minimizing anti-competitive use of PC freezes and consumer confusion which can come with increased competition. Specifically, standardized rules for PC changes and verification for all services, PC freeze solicitations and removals, and definition of what is an unauthorized change versus a dispute are most critical.

II. VERIFICATION OF ALL SALES IS A KEY COMPETITIVE ELEMENT

A. The Positions of Various Companies on the Need to Verify In-bound Calls Shows Serious Anti-competitive and Anti-consumer Risks

There is a split among commenters with regard to the question of verification of in-bound telemarketing calls. Most regulators and consumer advocates agree with MCI that in-bound calls should have to be verified.[2] As noted in its initial comments, MCI believes having different standards of verification for different methods of sales invites misleading and fraudulent behavior. The vast majority of companies that oppose verification for certain classes of calls are those that have some degree of market power which will allow them to benefit from regular communications with customers and non-customers alike.[3] Even if carriers with market power avoid the incentive to market services in inappropriate ways, by establishing a loophole the

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[2]See e.g. National Association of Attorneys General (NAAG) at 9-10; Texas Office of Public Utility Counsel (Texas OPUC) at 3; Illinois Commerce Commission (ICC) at 4; New York Consumer Protection Board (NYCPB) at 21; New York Department of Public Service (NYDPS) at 3.

[3]See e.g. BellSouth at 11; Southwestern Bell, Pacific Bell and Nevada Bell (SBC) at 8; United States Telephone Association (USTA) at 5; RCN at 4; Southern New England Telephone (SNET) at 8; Sprint at 30; AT&T at 21.

Commission would likely drive unscrupulous carriers to engage in practices that can mislead consumers.

MCI's concern that the forthcoming changes will result in consumer confusion are well founded. There is still significant confusion among many consumers as to who provides local and who provides long distance services more than a decade after divestiture.[4] With even more choices, the situation will be even more confusing to some consumers. As the transition from monopoly to competition gets underway, all companies can expect a great number of calls from consumers to clear up confusion or get information from one company about how to reach another.

There will be a great many instances where a consumer calls a company with absolutely no intention of purchasing a service. Without verification rules in place, it is likely that many companies will treat every customer inquiry as a marketing opportunity. Of course, the anti-competitive impacts are even greater while incumbent LECs retain their position as primary executing carrier of PC changes. It is quite likely that inquiries will be made to incumbent LECs most frequently until vigorous local competition is underway.

Without the kind of protection offered by verification rules, especially TPV, MCI believes many companies would be emboldened to use aggressive marketing techniques to make sales that would never make it through the verification process every time a consumer calls.

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[4]Due to the various definitions and names used by incumbent LECs, many consumers also do not know the size and scope of their different calling areas. As noted in its initial comments, MCI supports standardized definitions of different categories of service (i.e. local, intraLATA and interLATA). These definitions along with standardized verification will help reduce consumer confusion.

Verification rules, applied to all carriers and all sales, would avoid a lot consumer harm and anti-competitive behavior.

B. Support for TPV Comes From Those With Experience

As noted in its initial comments, MCI has found TPV to be extremely successful in minimizing the number of unauthorized switches since employing this method of verification to most residential sales. No commenters raised major concerns about the effectiveness of legitimate TPV.[5] But MCI is not the only party in this proceeding with experience using TPV on a large scale. The state of California is the only state which currently mandates the use of TPV for nearly all residential sales.[6] As the California Public Utilities Commission (CPUC) notes in its comments, the state of California requires that "before a company makes any change to a residential service, the transfer must be verified by a third party."[7] The CPUC has more experience with requiring TPV on a very broad scale than any other regulatory authority in the country. The fact that this regulator has found that the benefits associated with TPV to consumers and the industry outweigh the cost is important.

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[5]NAAG at 17 raises concern about using three way calls for purposes of verification due to the risks associated with having a carrier on the line. The Commission should not restrict the ability of carriers to connect the customer directly to a TPV provider at the end of a sales call as long as the carrier does not interfere with the verification process. When done properly, this method of TPV is the most consumer friendly and efficient way to confirm a sale.

[6]There is an exception to this requirement for calls made from a consumer directly to a LEC to switch service. However, MCI believes that with the opening of all markets to competition and the LECs' changing incentives since they are no longer a neutral third party, even these sales should be verified.

[7]CPUC at 6.

C. No Evidence Exists That The Cost of Independent Third Party Administrator Exceeds Benefits

Some parties have claimed that the cost of using an independent third party administrator is too high.[8] However this allegation has been made with absolutely no evidence provided as support. Indeed, even one of the parties with concerns about the cost admits that if incidents of unauthorized PC conversions increase, such an independent administrator may become more cost effective.[9]

MCI believes the Commission should investigate fully the benefits and costs associated with having an independent third party PC administrator that would execute changes, verify sales, settle disputes among carriers as well as consumers and recommend disciplinary action against bad actors. All of these questions should be viewed through the prism of increasing competition in traditionally monopoly markets and the increased anti-competitive and anti-consumer conduct that may occur with increased consumer choice. MCI maintains that the benefits of a truly competitive market without misleading or illegal behavior and minimized consumer confusion may be well worth the costs associated with an independent third party administrator for PC changes.[10]

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[8]See e.g. North Carolina Utilities Commission (NCUC) at 7. Working Assets Fund at 6.

[9]NCUC at 7. ("...[s]hould unauthorized slams continue to increase at the pace exhibited in recent years, neutral third-party execution of carrier change may become justifiable.")

[10]MCI has identified other functions that an independent administrator could perform in comments filed in the docket charged with defining primary lines for purposes of interstate access charges which would improve an already strong cost/benefit relationship. See In the Matter of Defining Primary Lines, CC Docket No. 97-181, Adopted September 3, 1997, Comments of MCI, September 25, 1997. SBC also notes that there is a role for an independent

III. THE COMMISSION'S RULES MUST TAKE INTO ACCOUNT THE NEED FOR ADDITIONAL SAFEGUARDS ON FIRMS WITH MARKET POWER

A. The Commission Must Recognize the Inherent Benefits of Incumbency When Creating Competitive Market Rules

The idea that the Commission must close its eyes to the inherent benefits of incumbency when establishing rules for pro-competitive conduct is simply ridiculous. Not surprisingly, it is an argument made most frequently by the incumbents themselves.[11]

The Commission has a long history of recognizing that different standards are appropriate in situations like this where firms are not similarly situated. This has been the case especially when competition is being introduced into an historically monopoly market. This is the principle which led to the application of dominant carrier rules to AT&T when competition was being introduced to the long distance market. The Commission's rules recognized that AT&T's market power necessitated certain restrictions on AT&T's behavior that were unnecessary for competitors like MCI and others.[12] When the Commission determined the market power of

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third party to make certain proper restitution is made after an unauthorized PC change occurs. SBC at 12.

[11]See e.g. USTA at 2; Ameritech at 15-16; Bell Atlantic at 6; US West at 31; GTE at 9;

[12]See e.g. Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor, CC Docket No. 79-252, Notice of Inquiry and Proposed Rulemaking, 77 FCC 2d 308 (1979); First Report and Order, 85 FCC 2d 1 (1980); Further Notice of Proposed Rulemaking, 84 FCC 2d 445 (1981); Second Further Notice of Proposed Rulemaking, FCC 82-187, 47 Fed. Reg. 17,308 (1982); Second Report and Order, 91 FCC 2d 59 (1982); Order on Reconsideration, 93 FCC 2d 54 (1983); Third Further Notice of Proposed Rulemaking, 48 Fed. Reg. 28, 292 (1983); Third Report and Order, 48 Fed. Reg. 46, 791 (1983); Fourth Report and Order, 95 FCC 2d 554 (1983); vacated AT&T v. FCC, 978 F.2d 727 (D.C. Cir. 1992), cert. denied, MCI Telecommunications Corp. v. AT&T, 113 S. Ct. 3020 (1993);

AT&T no longer posed a serious threat to competition and the long distance market was found to be fully competitive, the rules were changed and AT&T was declared non-dominant.[13]

In the context of this rulemaking, it is the local monopolists in their role as executing carriers that hold the market power that could harm competition and effectively limit consumer choice. It is not difficult to see how this could occur: anti-competitive use of PC freezes by aggressively marketing them just before a market is to be opened up to competition, slowing or rejecting large numbers of PC change orders from competitors, using their position to win-back customers before a competitor knows the switch is made or when a customer calls for information, and the list can go on and on.[14] Of course, these concerns are nowhere near the same magnitude or scale for new entrants.[15] Meaningful safeguards are essential to prevent the

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Fourth Further Notice of Proposed Rulemaking, 96 FCC 2d 1191 (1984); Fifth Report and Order, 98 FCC 2d 1191 (1984); Sixth Report and Order, 99 FCC 2d 1020 (1985), vacated MCI Telecommunications Corp. v. FCC, 765 F.2d 1186 (D.C. Cir. 1985). See also In the Matter of Complete Detariffing for Competitive Access Providers and Competitive Local Exchange Carriers, CC Docket No. 97-219, Adopted June 19, 1997. Here, the Commission recognizes that competitive LECs do not need to operate under all of the same rules and regulations as incumbent LECs due to the differences in market power.

[13]In the Matter of Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, FCC 95-427, Order Adopted October 12, 1995.

[14]Ameritech at 16 notes that special rules applied to incumbent LECs are unnecessary because the various section 251 requirements, including provision of OSS, will minimize the potential for inappropriate PC change processing. BellSouth at 6 makes similar arguments with respect to OSS. However, the incumbent LECs were supposed to have their OSS operational by January 1, 1997 and none have it ready to date. Rules that currently exist do not offer any real protection against anti-competitive conduct by incumbent LECs.

[15]Some commenters seem to confuse the dangers associated with the incumbent LEC's role as executing carrier with the issue of market share in a particular market. Anti-competitive concerns do not come simply from the amount of market share a particular carrier has, rather, in this case it is the combination of market share and control over a critical bottleneck function (the execution of a sale) that presents the problem. For instance, while IXCs like AT&T and MCI has

local monopolists in their role as executing carriers from slowing changes, using anti-competitive techniques to lock-in or get the first and most frequent marketing opportunities or take advantage of information collected in the role as local or executing carrier.

While the Commission must be prepared to take steps to prevent the use of inherent advantages of the LECs, it is even more critical that strong rules regarding the behavior of executing carriers are in place. Of course, at least in the beginning, these rules will apply primarily to the incumbent LECs.

IV. COMMENTS SHOW THAT PC FREEZES ARE A DOUBLE EDGED SWORD

The split among carriers and others regarding the dangers and benefits of PC freezes is readily apparent in the comments. At least one incumbent local monopoly believes there does not need to be any rules regarding PC freezes.[16] On the other hand, some carriers note that certain standards may be warranted, but still want the ability to aggressively market PC freezes to customers,[17] while still others are satisfied to offer freezes only when specifically asked by the customer.[18] On the issue of verification of PC freezes, there is also a split among carriers.[19]

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a great deal of market share in the long distance market, they have no control over a bottleneck facility. See e.g. SBC at 7.

[16]See e.g. US West at 39.

[17]See e.g. Ameritech 22;

[18]See e.g. SBC at 9-10.

[19]For instance, Ameritech would support verification of PC freezes if the rules for verification are liberalized while SBC and Cincinnati Bell Telephone do not believe verification

These different approaches to the use of PC freezes are most likely indicative of the different strategies of the incumbent LECs with respect to opening up their local markets and their desires to enter the competitive long distance market.

Misused PC freezes can be as harmful to competition as outright unauthorized conversions and the Commission's rules should recognize this by applying the same competitive and consumer protections to them. In any case, a complex web of standards and uses of PC freezes is not conducive to protecting consumers or maximizing competitive choice. There is no real question that PC freezes can be used in an anti-competitive fashion, only whether they are actually being used that way. The best way to balance consumer protection and maximum competitive choice is to standardize the use of PC freezes across the industry consistent with MCI's initial comments.

A. Standardized Rules Including a Ban On PC Freezes In Newly Competitive Markets is Necessary

MCI supports the policy of the CPUC which restricted the ability of local exchange carriers to market PC freezes to customers during the introduction of intraLATA presubscription.[20] This sensible consumer and competitive protection should be applied across the board for all services. MCI finds it especially amusing that Ameritech chooses to cite its practice of permitting three way calls with the toll provider, the customer and Ameritech as a non-burdensome way to deal with removal of PC freezes. As noted in its initial comments,

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should be required.

[20]CPUC at 9-10.

MCI's experience to date in dealing with Ameritech on this issue, just as the intraLATA market was being opened to meaningful competition through equal access, has been anything but fair or easy.

Ameritech's PC freeze policies have led to thousands of rejections of legitimate sales per month. These are cases where the customer wants to switch their long distance service but is either unaware that there is a PC freeze on their account or does not know how to have it lifted so their choice can be effectuated. When MCI sales representatives attempted to engage in a three way call to have the PC freeze removed, Ameritech sales people used a variety of methods to try to keep the customer from switching either through confusion, giving them improper information about the costs to them associated with the change or speaking critically of MCI. This occurred when the Ameritech representative knew an MCI representative was on the phone! One can only imagine what is happening when there is nobody listening. A copy of a letter of protest sent to Ameritech is attached as Attachment 1. Ameritech's response was that they would investigate the situation. MCI believes that all of this argues for verification procedures for PC freezes.[21]

V. LIABILITY ISSUES

There is significant agreement among most parties that the goal of the liability rules should be to make consumers whole and minimize impact on the victimized carrier. However,

[21] An independent third party administrator would, of course, eliminate many of the competitive concerns associated with PC freezes. But for the time being, the combination of limitations on their use while a competitive market is growing and use of verification is the next best protection.

when it comes to penalizing their soon to be competitors, the incumbent local monopolists offer a variety of outrageous and anti-competitive proposals.

A. Incumbent LEC Comments Clearly Demonstrate They Seek Opportunities to Exploit Their Position as Executing Carrier

The goal of a number of commenters including Ameritech, US West, SBC and GTE is to use their position as the executing carrier as a way to disadvantage their competitors. For instance, Ameritech proposes special safeguards for carriers that are classified as "habitual slammers."[22] Ameritech would essentially define which companies were "habitual slammers" because bad actors would be based on the number of LEC reported disputes, rather than a finding that an unauthorized conversion actually has taken place. Increasingly severe penalties would be assessed as the number of LEC reported complaints increased. Ameritech dismisses the idea that penalizing a carrier based on unadjudicated complaints is a due process violation.[23] Of course, such a policy would certainly be illegal. It would also be totally inappropriate to base actions of any sort whatsoever on LEC reported disputes since the incentive to complain will increase as they take steps to satisfy their legal obligation to open their local markets to competition and gain entry into the competitive long distance market.

SBC's proposed "three strikes and your out" strategy[24] also gives incumbents an incentive to maximize the number of reported disputes for at least two reasons. First, it requires their soon

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[22]Ameritech at 11-12.

[23]Id. at 13.

[24]SBC at 4-5.

to be competitors in the long distance industry to produce a "valid" verification. Presumably, SBC would make the determination as to whether a particular verification was valid or not. Second, as with Ameritech's proposal, more disputes means the competitor has to expend more resources to retain a new customer. Effectively giving one competitor the ability to raise the cost of doing business of another competitor is an unhealthy situation.

US West wants executing carriers to effectively act as regulators by allowing them to require more stringent verification measures for carriers that exceed a certain threshold of complaints.[25] Further, US West does not deny that it has an incentive to report the maximum number of disputes under its plan, saying in a footnote only that the three largest IXC's would not currently be penalized under their approach in the US West territory.[26] The fact that MCI or any other carrier for that matter is not going to be penalized under the US West proposal is beside the point. The incentives that US West and other incumbent LECs have today for maximizing the number of reported disputes pale in comparison to the incentives they will have as their local markets are forced open and they get closer to in-region long distance authority.

A different approach is taken by GTE. GTE wants to change the definition of executing carrier to have a different standard of conduct for affiliated rather than unaffiliated carriers. A practical effect of this proposal is to provide incumbent LECs with greater protection against unintentional mistakes than any other carrier making an unintentional mistake would have.[27]

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[25]US West at 18-20.

[26]US West at n.37.

[27]GTE at 5. While MCI believes it is may be appropriate to distinguish between intentional and unintentional unauthorized PC changes, this should not be done by simply

Obviously this is fundamentally unfair, especially since GTE, as the primary executing carrier in their region will have an incentive to do much more sloppy work for competitors rather than themselves. In fact, MCI believes the incentives should be constructed so as to hold GTE and other executing carriers to the highest possible standards for executing changes for unaffiliated competitors now that incumbent LECs cannot be assumed to be disinterested third parties.

In a step that would make the incentives for reporting disputes even greater, carriers including USTA and US West would also like the Commission to require that they be reimbursed for a variety of costs associated with investigating a complaint.[28] MCI maintains that the executing carriers have demonstrated no financial burden in investigating these matters that is different from other carriers including the majority that are investigated based on LEC reported disputes that turn out not to be unauthorized conversions at all. Furthermore, MCI maintains that the charges collected by the incumbent LECs for switching long distance customers is well above cost and the Commission should not even consider awarding any additional sources of revenue to the incumbent LECs.[29]

B. Carriers That Are Unaffiliated With the Executing Carrier Should Have Parity in Switching Time or It Is An Unauthorized Conversion

Due to the unique opportunities for improper behavior by executing carriers, the

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relieving executing carriers of their obligations *vis a vis* unaffiliated submitting carriers.

[28]See US West at 12; USTA at 9-10.

[29]MCI has challenged the switching fees charged by all of the RBOCs except BellSouth. See e.g. MCI Telecommunications Corporation v. US West Communications Inc., File No E-97-08, Filed December 16, 1996.

Commission should focus on removing the incentives that will exist for executing carriers to delay making a service change. Specifically, all communications between the executing carrier and the customer should be strictly prohibited until the authorized carrier has been notified that the switch has been made.

A variety of deadlines have been suggested for how quickly a switch must be executed. There are two important guidelines which should drive the Commission's rules on this point. First, in no case should it take longer for a switch submitted by an unaffiliated carrier to take place than one by an affiliated carrier. Second, switches should take no longer the execute in the future than is the case today. The failure to switch should be treated as an unauthorized conversion with additional penalties to the executing carrier. The combination of parity and restrictions on communications while a switch is being made will help reduce the incentives for executing carriers to act improperly.

VI. CONCLUSION

WHEREFORE, MCI asks to Commission to adopt rules consistent with its comments in this proceeding.

Respectfully submitted,

Bradley C. Stillman
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1801 Pennsylvania Avenue, NW
Washington, DC 20006

Its Attorney

September 29, 1997

CERTIFICATE OF SERVICE

I, John E. Ferguson III, do hereby certify that copies of the foregoing Reply Comments of MCI Telecommunications Corporation in the Matter of Implementation of the Subscriber Carrier Section Changes Provisions of the Telecommunications Act of 1996 and the Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers were sent, on this 29th day of September, 1997, via first-class mail, postage pre-paid, to the following:

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